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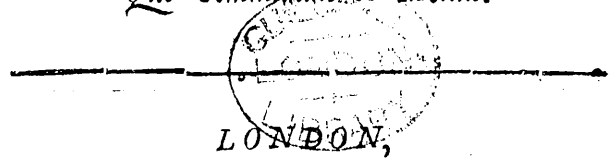
MODEL

For Erecting a
Bank of Credit:
WITH A
DISCOURSE
In Explanation thereof.

Adapted to the Use of any Trading
Country, where there is a Scarcity
of MONEYS:

More Especially for his Majesties Plantations
in *AMERICA*.

Quò Communis eò Melius.



LONDON,
Printed by J. A. for Thomas Cockeril at the Three
Leggs in the Poultry, over against the
Stocks-Market, 1688.

A MODEL for Erecting a Bank of Credit Lumbard and Exchange of Moneys, Founded on Lands, Goods, and Merchandizes : To be undertaken and managed by Persons of good Reputation, Prudence and Estates, in a voluntary *Partnership*, as other Merchantly Affairs : Adapted for the Use of any Countrey, or Trading part, where there is a Scarcity of Moneys ; and, in want thereof, they are constrained to truck, or Barter by Commodities, &c. wherein is Discourfed,

1. *Some things by way of Premise, touching Banks in General.*
2. *The Definition of such a Bank.*
3. *The Constitution.*
4. *The necessary Rules to be observed.*
5. *The particular Advantages thereof, to those that shall voluntarily deal with such a Partnership.*
6. *Some of the most material and pertinent Queries and Objections thereto, Resolved and answered.*
7. *The Conclusion by way of Animadversion, upon the whole : Briefly.*

Of the First, viz. Some things premised for Introduction, touching Banks in general.

Money, whether Gold or Silver, is but a measure of the value of other things ; yet hath, for a long Succession of Ages (especially in the Civilized and trading part of

the World) obtained to be the usual, and best known means of Interchange.

This measure and way of Interchange, was originally occasioned by the experimented inconveniences of common Barter; in which way, unless both the Parties dealing, have like occasion, reciprocally, of each others commodities, the less necessitous over-reaches the greater, by imposing the price of both, to his own advantage, and the others detriment, which is not Equal, nor can there be Equality, where there is no common standard between them.

But, whether the Mines fail, or Men have not been so fore-seeing and industrious to bring in, to most Countrys, a sufficiency of Money or Bullion, wherewith to manage their increasing trades; or, that Traders, for want of other Returns, have been necessitated, for Ballance of the Surcharge of goods imported, to remit the Coyns of some Countreys into others; Or, for other causes (not necessary on this occasion to be further inquired into) 'tis now so hard to come by, in some places, for carrying on of trade, to answer the vastness of Mens attempts, and aims of increase in Merchandize, as that its found, in many Countreys, insufficient in this Age of the World: And that hath put divers Persons and Countreys, upon contrivances how to supply that Deficiency, by other Mediums; some of which have happily pitch'd upon that of Banks, Lumbarbs, and Exchange of Moneys by Bills, which have thriven with them.

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The two former of these, viz. Banks and Lumbarbs, have been set on foot in divers trading Countreys, by their respective Publique undertakings, and have succeeded to their abundant enriching. Perhaps others have thought, that would have occasioned the overflowing of Moneys amongst them: Especially if they raised the values of Gold and Silver above the common Standard; but as they have been mistaken, or their Surfeit of trade hath obscured the visibility of it; and protracted more rational Considerations of redressing, till it hath proved almost Fatal, to the impoverishing of their Countreys; So, the other have really experimented, that their Banks have been, as well with other Countreys, as amongst themselves, of greater value than the species of Gold and Silver: And yet, such places drain away the said species from the other, who under those mistaken apprehensions have Courted it, as the only reall good thing for a Countrey.

The Third, viz. That of Exchange of Moneys, hath been for the most part managed by the respective Merchants of all places; who in their particular dealings and Correspondences (fore-laying advantages to themselves thereby) have unaccountably controll'd it, and vary it often, in each Annual Revolution.

'Tis not to be doubted, but that all three of these may be accommodated and improved, to the publick Advantage of any Countrey: Especially, if managed in Partnership by private hands, being Persons of known Integrity, Prudence and

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Estates:

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Estates: subjecting the annual Profits accruing thereby to the answering the Injury, damage, or loss, by their undertaking.

The best Foundation for such an Attempt, is, that of Real and Personal Estates, instead of the *species* of Gold and Silver. For, as a Bank of Moneys is liable to many casualties and hazards; so, the hoarding up of Moneys in Banks, necessitates the taking out the more Bills; which is one Malady this Proposed Bank will cure.

We shall therefore, at present, begin with, and principally discourse of the two first of these: *viz.* The Bank of Credit, as it may be rendred susceptible of the Second, *viz.* The Lombard, conjunct: accounting both the one and the other to be founded as aforesaid, *viz.* On Lands or Real Estates mortgaged, and staple durable Goods, and Merchandizes deposited: such as any Countreys Products and Manufactures will by Art and Industry produce and furnish.

Here might be also discours'd, A Lombard for the Poor, by some called, *Mons Pietatis*: But that's fitter to be the Handmaid of the other; for, 'twill be too poor to encourage an undertaking by it self, or for a beginning: Neither will there be any such necessity thereof, when this Bank is settled; forasmuch as this will employ most of those, who are usually maintained in Idleness, if they will betake themselves to Industry, at such moderate wages as would enable them to live comfortably, without exposing their Employers to like Poverty with themselves. And

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And besides, this Bank of Credit and Lombard, when understood, and received in any Countrey with general Approbation, will in due time render that, as also the Third, *viz.* that of the Exchange of Moneys by Bills, the more intelligible, and as usefull.

Of the second Particular, viz. The definition of such a Bank.

A Considerable number of persons, some of each Rank, Trade, Calling and Condition, especially in the principal Place or places of Trading in any Countrey, Agree voluntarily to Receive, as ready Moneys, of and from each other, and any Persons in their ordinary dealings, Bank-bills of Credit, signed by several Persons of good Repute, joyned together in a Partnership, given forth on Lands of good title mortgaged, and staple unperishing Goods and Merchandizes, deposited in fitting places to be appointed by the Partnership for that purpose; to the value of about one half, or two thirds of such respective Mortgages and Deposits: Which said Bills, through their experimented usefulness, become diffused by mutual consent; and passing from one hand to another, in a kind of Circulation, and under reputation of so certain a Fund, have at least equal Advantages with the Current Money or Coyn of any Countrey, attending them, to all who become satisfied to deal with them.

Q. But it may be said by some, This is a
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very brief account, and requires further Explanation. We are yet Strangers to the Nature, and requisite Constitution of a Bank of Credit, and what lies on us to do, in order to our being made partakers of any benefits or advantages thereby, to such as shall voluntarily comply therewith; nor do we see clearly our security in so doing, nor upon what terms. Pray inform us of these things, so far as we may be safely guided into the way, and unto the end of it. Also, in case this Bank should terminate, how we shall be dealt withal, in the closing up of Accompts, so as may be without damage, either to the Bank, or to our selves. We doubt not but you have as well considered the end as the beginning. Though, if it prove useful, we can see no cause why a thing of so great advantages as are suggested, should procure any persons ill Will, or weariness of it. And we are also satisfied, that an affair of this nature, wherein the Persons and Estates of so many shall be involved (as it seems probable will be where it once gets footing) cannot suddainly be knock'd off, but with inconvenience.

Ans. The clearing these Doubts you'll find in the particulars following. Therefore now,

Of the third Particular, viz. The Constitution of this Bank,

IT is proposed that there be One and twenty Persons (or less) in the Partnership of this Bank: Whereof seven to be called Principal Managers;

Managers; who, or any three or more of them may have the power of managing and governing the whole affair, according to the Constitution & Rules thereof; and fourteen Deputies, to be employed by them as Accomptants, Surveyors, Appraisers, Store keepers, &c. All of them to be Persons of good and general Reputation for Integrity, Prudence and Estates: But, forasmuch as, at the first entrance upon such an affair, it may not be needful to engage so many; That any three, five or seven of them (more or less) may be conceived sufficient to begin the same; and manage it until, by the coming on of business, it shall be judged necessary and encouraging, to settle the full, or some greater number of them. These may all be engaged by Articles of Agreement, and Covenants in Partnership, to attend thereon, and be responsible for their doings, according to such Constitution and Rules in that behalf.

These are to receive all Proposals from any Persons touching their having such Credit thereof as they shall desire upon their said Estates of Lands or Goods respectively; and to contract and agree with them therein, at such values, and for such time as they shall judge the security proposed of either kind will admit, and to draw up, and perfect such Bank-Bills, Bills of Sale, Mortgages, Grants and Defeazances thereof, as Lands or Goods respectively shall require; and perfect the Counterparts thereof, to the Mortgagers and Depositors.

They are also to cause the said Mortgages and Depo-

Deposits to be laid up and stored, respectively, in as safe and convenient Rooms, and Ware-houses, &c. as shall be without exception, to prevent damage of Weather, Robbery, Fire, Water or Vermin of any kind, whereby they may be impaired, or dampified, and all this under the trust and custody of such numbers of the said Partners, as no opportunity can be taken to impair or lessen the security, unless they should all agree therein; which cannot reasonably be imagined, being such as are proposed. But for the better security thereof, there may be continual watching on all such places; and it will be the Interest of all persons, any way concerned in the affairs and profits of such a Bank, to be careful to prevent, and to give Advertisement of any attempt made to the impairing and prejudicing thereof, for that their livelihood and dependences will much consist, in their preserving it in the greatest Reputation; which upon the least violation, by those who are engaged in the management and trust thereof, will be utterly lost, and the Bank fall to the Ground.

These Partners aforesaid, must also enter into and oblige themselves by Covenants to, and with other Persons to be called Assessors of the Bank, and Conservators of the Constitution, Rules, and Instructions to be observed in the management thereof, for their diligence and faithfulness, in the discharge and Execution of their respective trusts, according to the said Constitution: and inviolably to observe the same, and all the Rules thereof.

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The said Assessors have also the Oversight and Contrall of the whole Affair: To see the same be so managed: and to that end are daily to inspect the management thereof; and that the said Rules be duly observed on both parts, viz. as well on the part of the persons dealing with them, as of the managers themselves, in every branch of the Bank, that all be done with Justice, and Impartiality between them; to settle differences, in case any happen; and in the absence of the Managers, may supply that defect, by their personal transacting the same things, or allowing others as their Deputies. Also,

Each of the said Partners must deposit Moneys and other Estate in the Bank as a Stock or Fund, of their own; which be a further Security and Obligation upon them, for their upright dealings: For thereby every of themselves become personally Interested, and concerned to be careful in every thing, that they keep the Rules; and all Persons concerned in the yearly profits thereof are liable, according to the Constitution, to answer the damages, as far as their respective shares thereof extend.

Of the fourth Particular, viz. The necessary Rules to be observed in this Bank.

1. **I**nprimis, That the Partners in the management of the affairs of the said Bank do sit in some convenient place, of the chief trading Town of each Countrey, from day to day, and at

at such hours as the business and occasions thereof shall require; to receive Proposals from any persons, touching their having such Credit as they shall desire; and for drawing up and perfecting such Bank-bills, Mortgages, Bills of Sale and De-fezances thereof, as Lands or Goods respectively shall require; Also for giving information and satisfaction concerning the security, benefits and advantages accruing thereby, to such as shall desire to deal with them therein; and to take Sub-scriptions for that purpose.

2. *Item*, That whatsoever Person shall propose to Mortgage or Deposit any staple Goods or Merchandizes, Lands, Tenements or Hereditaments of a clear and good title, to the said Partnership, may have such and so many Bills delivered to him as shall amount to about the value or sum of one half, or two thirds of the said Estates; or more or less according as his occasions shall require; and the nature of the Depositors security will admit. Paying for the use of the said Bills, after the rate of four pounds *per Cent. per annum*, in like Bills, at the end of every six Months, for so long time as he and they shall agree for the same.

3. *Item*, That if at the Expiration of the term agreed for, the Mortgager or Depositor shall desire the continuance thereof, for such further time as the Partnership shall judge the nature thereof will admit, the same shall be allowed upon the same terms; and if any person shall desire to redeem them sooner than the time agreed on, he shall have liberty so to do, paying only for such time

time as they continue deposited or unredeemed. And shall be allowed to pay in any Even summs (not being under ten Pounds) in part thereof, if he shall think fit so to do, to lessen his Debt and charges.

4. *Item*, That the Redemption thereof be by Bank bills of Credit, or such other Deposits as the Partnership shall approve of. But if by Moneys in specie, that there be an Addition of Forty Shillings more in every hundred Pounds paid in Money, than in the said Bills. For they desire not the ingrossing of Coyn, or streightning mens occasions thereby.

5. *Item*, That if it shall happen that any payments shall be made in ready Money, such Persons as having any of the said Bills in their hands, which they would have Exchanged, to answer their occasions for Money, and shall seasonably desire the same, shall be accommodated therewith, upon the delivery up of Bills to such value.

6. *Item*, That there be One or more Persons allowed by the Partnership in the Nature of Merchant-brokers, to correspond between the Persons who have, and who want Moneys, and Bills respectively, to assist their respective occasions.

7. *Item*, That if any Person shall not redeem his Pledge, or pay his Interest at the respective times agreed on (being of Goods or Personal Estate, the continuance whereof may be hazardous) the Partnership, giving notice thereof, may Sell the same at the best Rates they can get, either in ready Moneys, or Bank bills, rendring the Overplus to the Depositor.

8. *Item*,

8. *Item*, That if any Person be Rob'd of, or lose any Bill or Bills, by accidents of Fire, Water or otherwise. He may have them renewed, if he forthwith apply to the Partnership, and make a voluntary Oath thereof, before a Magistrate, expressing the Number, Value and Date of each Bill or Bills; and securing the Partnership against all after demands for the same Bills: It appearing by the Bank-books, that such Bill or Bills were issued thereout, and have not been returned.

9. *Item*, That all Bank Bills of Credit be Signed by two or more of the said Partners, (whereof one to be a principal manager) who are thereby held, to oblige themselves, and all and every their Partners of the said Bank, to accept the same for as much Currant Moneys as shall be in them respectively mentioned, in Payment, for Redemption or purchase of any Estate in the said Bank, according to the Rules thereof: and that all such Bills be duly entered, in Books to be kept for that purpose, and the Indented Counter-part thereof filed, before the same be issued.

10. *Item*, That all Goods deposited, be laid up and stored in such safe and Convenient Rooms, Warehouses, or Cellars, Yards or Docks respectively; for preventing damage of Weather, Robbery, Imbezlement, Fire, Water, or Vermin of any kind, whereby they may be impaired, and be under such custody and continual care, as will probably render them more safe than in any Persons particular Custody, or Ware-house.

11. *Item*, That the Charge of Warehouse-room be

be reasonable, with respect to the bulkiness or value of the Deposit; and be agreed upon between the Parties to, and inserted in, each Contract. In which respect it will be easier to many than to hire Warehouses of their own.

12. *Item*, That all persons having any Deposits in Bank-warehouses, &c. may have liberty, at reasonable hours, and in the presence of known persons, to be intrusted for that purpose, to view their Goods, that they be not imbezled, or dampnified, and to provide against the same: Also to shew them to their Chapmen; and shall be assisted therein by the Romigers or Porters employed by the Partnership.

13. *Item*, That in case the Creditors of this Bank shall agree to desire, and accordingly Declare in Writing, That there be a Determination put thereon: Or if on any other account whatsoever, the Determination thereof shall be judged necessary, by the Proprietors and Managers of this Bank, and so declared in Writing (which cannot be without allowance and ascertaining of a reasonable line betwixt the said Creditors and Partnership or closing up the same, and the Accompts thereof, so as may be without damage to any or either of them,) That, as no person is or shall be compelled to accept Bank-bills of Credit, unless he shall voluntarily agree so to do, and for no longer time, nor otherwise than he shall so consent: so, no man paying his *premium* and charges aforesaid, for the Credit he hath, shall be compelled to Redeem his Pledge, being of Personal Estate, sooner than the time contracted for, and the na-

ture of the Deposit shall require : And to the End the Mortgager of Lands, of unquestionable good title may not be distressed, to his undoing, in case he should, by reason of such Declaration, be suddenly call'd upon to Redeem the same, (which may be impossible for him to do in some years, through the scarcity of Moneys) That all & every Mortgager of Lands in such case, shall or may have and take six years time, from and after such Declaration aforesaid, to be allowed unto him, his Heirs and Assigns, for Redemption of his Lands ; He or they paying after the rate of six pounds *per cent. per Annum*, in ready Moneys, at the end of every six Months, for the continuance of the Credit he had thereupon, from such time as the said Declaration shall be perfected, until he shall redeem the same : and that the Partners of this Bank shall or may have and take one full years time more, from the Expiration of the said six years, to be allowed unto them, for selling the said Lands, or such of them as shall not, within the said six years be redeemed ; whereby they may be enabled to receive, in, and Exchange all Bank bills then granted forth, into the now current Coyn or Moneys of this Country, or other moneys being not of more intrinsique value than what now passes : Or otherwise satisfy for the same by such proportions of the said remaining Lands or other Effects, as shall be judged to be of equal value : Or by assigning or transferring to such Creditors the then Remaining Lands or other effects, at the same Rates or Values for which they were respectively Mortgaged or deposited. And in the mean time Paying to all the Creditors who shall then have any Bills

Bills in their Hands, after the same rate of Interest, for so long time, after publishing the said Declaration, as the said Bills shall remain in the said Creditors hands, unoccupied ; with Deduction and allowance only of the *Premium* contracted for, as aforesaid ; and that such Bank-bills, as before such Declaration made, have been given forth, upon the real or personal Securities aforementioned which remain in the Possession of the said Bank, may and shall be esteemed, and pass as Currant Moneys, of the value of the present Coyn, in all Receipts and Payments whatsoever, during the said Term.

14. *Item*, That the foregoing Rules be attended and observed by all and singular Persons concerned therein, and who shall propose to deal with, and accept the Bills of Credit issued by the Managers of the said Bank of Credit, Lombard and Exchange of Moneys proposed to be erected in any place, and managed by Persons in Partnership, as other Merchantly affairs.

Of the fifth Particular, viz. The Particular Advantages of such Persons as shall voluntarily deal with the said Partners, in these affairs ; which will appear in several Instances.

First Instance.

A Country Chapman hath Lands, suppose worth to be sold for 400 *l.* and being willing to enlarge his Trade and Dealings, or make improvement on his Lands, as far as his Estate will enable him ; Or, having bought Goods, which he is indebted, and

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cannot otherwise pay for, he mortgages his Land to the Partnership for 200 *l.* more or less; and thereupon receives several Bank-bills of Credit, for 200 *l.* &c. of several values from twenty shillings, and so upwards, to answer his occasions.

With these he buyes such Goods as he pleases, or payes his Debts for what he formerly bought of the Wholesale Shop-keeper, or Warehouse-keeper, in such Town or Towns of Trade as shall fall into this way of Dealing; and, having Bank-bills to deliver for them, which are of better value by 40 *s.* in the 100 *l.* than Moneys, with this Society, as is herein evinced; he buyes much Cheaper than he could upon his own Credit, or with Moneys in specie.

The Shop-keeper goes to the Merchant, who thus agrees, and buyes of him other Goods, with the same or other like Bills; wherein he reaps the same advantage as he gave his Chapman.

The Merchant buyes Corn, Beef, Pork, Fish, Hops, Lumber, Pitch, Tarr, Rozin, Skins, Furs or any other of the Countreys Products or Manufactures, of the Husbandman, Grazier, Artificer, or maker thereof.

The Husbandman, &c. If a Farmer of Lands, payes his Rent, and purchases more young Cattel of his Neighbour, for Breed or Fattening, Or,

If an Owner of Land, and hath not sufficient stock to improve it, he also Mortgages his Land, and has Credit to furnish himself. Or,

If he hath sufficient Stock, and perhaps more than his present Farm can maintain, he hath his Eye upon a neighbouring Farm, or piece of Land that

that would be sold; he Mortgages his own Land in the Bank, and hath Credit to buy the other.

If then he want Stock, he may also Mortgage the Farm or piece of Land last purchased; and have Credit to enable him fully to improve and stock both: Whereby he doubles his yearly advantages, and if he can then content himself to live as frugally, and be as industrious as before, he may soon compass to pay off his Debt, and redeem his Land. Or, he may continue the Credit he had, and take out more upon the Additional improvement; and thus increase his purchases and Estate, as long as such an help is afforded.

Second Instance.

The like may be done for carrying on the opening and working in any Mines, Minerals or Quarries of Stone, Lead, Tin, Iron, Copper, &c. thus, *viz.* The Mine and Lands wherein the same is, may be Mortgaged as aforesaid, to supply the Owner thereof with Bills of Credit, for paying his Workmen, in any sum of Twenty Shillings, or above.

As fast as any of these Metals, &c. are wrought fit for Sale, if a Chapman be wanting, the Metal may be brought into the Bank, and the Owner Receive Bank-bills to the value of about two thirds thereof, as aforesaid, to enable him to proceed on his Works: And the Metal lying in Bank is there readier for a Market than elsewhere, in his own Private House or Ware-house, at very reasonable rates for lying there, and may with allowance of the owner, be sold in his absence, by the Merchant-Broker before mentioned, at such current Rates

as he shall set, and he become Creditor for so much, to be discompted or paid him, whensoever he shall call for it.

Third Instance.

A Weaver of Cloth, Serge, or Linnen, &c. is employed in any Work-house erected or to be erected, to carry on those respective Manufactures: Also other Manufacturers, and Artificers, in Rope-making, Cables, Rigging, Sails, Anchors, or any other materials for the Fishing trade, Merchants, or building of Ships, &c.

The Owner of such Work-house, or materials respectly, consents to Mortgage the same, for one or two hundred pounds, more or less, in Bank-bills, as the work shall require, and the value of the house or materials will admit.

With these Bills, the Work-master or Overseer, buyes Wooll, Worsted, Yarn, Hemp, Flax, Dying-stuffs, Iron, Timber, Lumber, &c. of the Merchant, Ware-house-keeper, Countrey-man, or other Seller; and finishes 40, 60, or 100, peices, &c. more or less of any the said Commodities; which when wrought up for a Market; if he want a Chapman, he brings into the Bank Ware-houses, as aforesaid; or such Yards, Docks, or other places as they shall appoint or agree: Takes up new Credit upon them, and leaves them there to be sold, at his own rates, as aforesaid. Or,

A considerable parcel of Wooll, Cotten, Yarn, Flax, Hemp, Oyl, Dying-stuffs, or other Goods for his use, are offer'd to Sale; he may pay one third thereof by his wrought up Goods unfold, and bringing these Commodities into the Bank, may

may receive Bills of Credit for paying the other two thirds; which he may take out, in parcels, as he brings in any new wrought up Goods, or hath occasion to use them for working up more; and the Bank-ware-houses will be to him as *Blackwell-Hall*, &c. in *London* to the Clothiers, to assist his sale of them, without his trouble: For thither will all Merchants have incouragement to come, to seek supplies for Transportation, and find Goods always ready.

Other Instances might be multiplied, but by these it appears,

1. That the Manufacturer, &c. loses no time in looking out a Chapman.
2. Is always furnish'd with Credit to buy his Materials at the best hand.
3. The Merchant never trusts, nor Ware-house keeper; Or, if he do, the plenty of Bills expedites his Chapmans Sale, and consequently his payments. Whereby,
4. He has incouragement and stock presently to look out for more of the same, or other useful Merchandizes.
5. Sends forth the said Metals, Clothes, Stuffs, Linnen, &c. amongst other Merchandizes of the Product of his Countrey, or imported.
6. Makes return of Bullion, Moneys, or other useful Goods, which are presently bought off with Bank bills. Or,
7. He may store them up in Bank Ware-houses, and receive present Credit, wherewith to send out again. And,
8. Thereby be enabled (at least) to double, or

treble his yearly dealings, and receive proportionable advantages. This,

1. Increases and quickens Merchandizing and trade.

2. Promotes Shipping and Navigation. Which,

3. Increases the Publique Duties, and consequently the Revenues.

4. Implies the Poor in the mynings and manufactures forementioned.

5. They get Moneys by these Employments.

6. That inables them to buy up all necessaries for Cloathing, Victuals, paying of Debts, &c.

7. This helps the Consumption of, as well their own Commodities, as other imported goods and Merchandizes: for no Man, that hath wherewith to buy, will go naked or be hungry, &c.

8. This helps to civilize the Ruder sort of People; and encourages others to follow their Example in Industry and Civility.

9. Thus all sorts of Persons become inabled to live handsomly, and out of Debt; and that prevents multiplicity of Law Suits, and troubles to the Government: but none of these advantages may be expected, out of the small Pittance of Cash, that now is, ever was, or likely will be in any Countrey, unless assisted in Trade, and enriched by the help this Bank proposes. And so we pass to the Consideration

Of the sixth Particular, viz. The answering some few of the most material Pertinent Queries, and Objections touching this Bank, viz.

Q. 1. Can I have Moneys for Bank-bills, when have occasion?

Ans.

Ans. 1. 'Tis not propounded to be a Bank of Moneys (which is liable to inexpressible and unforeseen hazards) but, of Credit to be given forth by Bills; not on Moneys advanced, as in other Banks, but (on Lands or Goods, as aforesaid,) to supply such as cannot get Moneys (by reason of its scarcity) with whatsoever may be had for Moneys. Yet,

Ans. 2. As oft as any Persons redeem their Lands, or Goods, they must do it in Bank-bills, or with Moneys. If in ready Moneys, the Partnership may exchange Bills therewith, to such as desire it; as is afore provided by the Rules.

Ans. 3. However, this Bank is no occasion of freightning men that would have Moneys; but leaves them free; and in this case, the Merchant-brokers of the Bank will be helpful, between those who have and who want Moneys, and Bills respectively; as is likewise aforementioned in the said Rules. But,

Ans. 4. If it be made appear to you, that others who have Moneys, will be willing to change your Bank-bills into those species of Gold and Silver, and thank you for offering them the occasion (though the Bank Partnership do it not) you'll have no cause to decline the other advantages Proposed: Especially if you may both be gainers by the Exchange. Now, if I ow'd you 500. *l.* to be paid in Silver, which I could not do, but should propose to pay you in Gold, at the intrinsique coyn'd value, which if you part with again will yield you five pound profit, or more: Would you then refuse Gold?

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Ob.

Obj. But how will you apply this, to make it Credible?

Sol. Thus, Whoever hath any payment to make in Bank, which (in probability if such Bank take effect in any Countrey) will be every Man that deals in above twenty Shillings at a time) will find, that we must pay forty Shillings more, in every hundred pounds of ready Money, than in Bank-bills of Credit; (as *per* the forementioned Rules of the Bank) which is about five pence benefit to the Exchanger, in every 20. s. No doubt then of having Moneys (by a little inquiry of the Merchant-Broker) at the value contained in the Bills, of all such as must redeem their Mortgages, and Deposits. But,

Bills, wherever Banks have been erected (though Money Banks) have always been of better value than Moneys in specie. Whereof three Reasons may be given.

(1.) For the ease of Compting and Carriage; and preventing damage to the Receiver, by Counterfeit, Clip'd, Light or base Coyn: (Which is obvious to all.)

(2.) For safety in Travelling, laying up, &c. As visible as the other.

(3.) For the advantage that is to be made by the Exchange, on the account of such Conveniences. Whereof take two Examples, *viz.*

(1.) The Bank-bills of *Holland* are ordinarily better than Moneys, by at least three pounds *per Cent.* And,

(2.) Those in *Venice*, by twenty pounds *per Cent.* and Laws made there to keep them from rising

sing higher; for they were once at 28. *l. per Cent.* and not without some difficulty Reduced to twenty; so that each Bill of 100. *l.* is now Current at 120. *l.*

Obj. But how is that possible or Credible?

Sol. There is this account rendred of it (which has confirmation by many other Instances that might be given, concerning the Current Prices of many Commodities, which have not so much of intrinsic value in them,) *viz.* The State of *Venice* propounded the Erecting a Bank to consist of two Millions of Duckets: Accordingly Moneys were brought in, Bills given out for the same value; and a stop put to the receiving, or giving out any more of either.

The usefulness of these Bills was suddenly found to be such in the practice and imployment of them, upon the three forementioned Accounts, that every Man, at one time or other, found his affairs required them; So, that at first, such Bills would not be parted with for Money, under ten Shillings *per* hundred pounds; And no sooner was that become the Current rate, but they were successively raised, by ten Shillings at a time, till they came to be, in every one's Estimation, 28. *l. per Cent.* better than moneys in specie; and so past accordingly. Whereupon,

The State of *Venice* enacted several Laws against their passing so high: which failing to accomplish what was required, at length they conceived it necessary, in order to the bringing down the price, to propose the giving forth Bills for three hundred thousand Duckets more: By which means they brought

brought it back to twenty pounds *per Cent.* (which pleased the People) and there fixt it, as to it's rising higher afterwards, by a severe Law; since when, it stands so to this day: And this is no more than what is familiar in the price of other things, *viz.* Diamonds, Rubies, Pearles, Horses, Pictures, &c. which have their Estimation from the various Pleasures and Fancies of men, &c.

And, if it be demanded, what induced that State to allow it so high?

The Answer is easie, *viz.* The State of *Venice* had made use of the Moneys deposited, in their publick occasions (where observe the hazard of a Money Bank) and, having Promised, for satisfaction of Creditors, to raise the like sum, if they should have occasion for it, reap this advantage, of their Peoples high opinion of Bills, that, they are thereby assured, that, never, will any Creditor come to ask them 100*l.* for a Bill of 100*l.* when he may have 120*l.* from any other hand. A notable way to pay a vast debt. But, by means hereof, the Creditor has no other Fund or Security but the States Word: For, there is not one Duckett for them in Bank.

Q. 2. My Lands or Goods are already Mortgaged for Moneys, at a higher Rate of Interest; and the Mortgagee will not take Bills. Can such a Bank help me?

Ans. There may be Persons, of whom you may be informed at the Bank, who will advise and assist you therein: If there be Moneys in the Countrey to be had.

Q. 3. I have neither Lands nor Goods, but a Trade,

Trade, by which I could live comfortably if I had a small Stock; and I could afford to give a greater Interest, and have Friends that would help me too, upon my own bond: But they have not Moneys, Which way shall I be help'd?

Ans. If your Friends have Lands or Goods, they may have these Bank-bills of Credit, at four Pounds *per Cent. per Annum*, to lend you at such Rates as you can agree: Whereby they also may be gainers, and have encouragement to help you.

Much more might be said upon this Subject, but these seem to be sufficient, for encouraging an attempt: And, the experiments of the things suggested will give such clear Demonstrations of the Usefulness, advantage, necessity and security of such Banks, in most places, beyond all others that have been hitherto put in Practice, as those who are not so prompt to receive things into their understandings by the Notions of them, or are prejudiced by mistaken apprehensions about them, and, thence raise many impertinent Objections (not worth scribbling) may be presumed will follow others Examples, in well-doing, when those are observed to thrive who go before therein.

We shall therefore, for the Conclusion, which is the last Particular mentioned, to be Discoursed, sum up all, in this General Assertion, viz.

THAT there will arise many more Conveniences and advantages, by this Bank, to such Countreys where they shall be erected, than have been enumerated, in the several foregoing instances; or, well, can be.

1. By

1. By this, the Trade and Wealth of any Countrey is establish'd upon it's own Foundation; and upon a *Medium* or Ballance arising within it self *viz.* The Lands and Products of such Countrey and not upon the Importation of Gold or Silver or the Scarcity or Plenty of them, or, of any thing else imported from Foreign Nations, which may be withheld, prohibited, or enhanced, at the Pleasure of others.

2. The Native Commodities of such Countreys will thus become improved to a sufficiency (at least) for their own Use; and thereby afford a comfortable subsistence to many ingenious and industrious Persons, in such Countreys; who know not how to subsist: Especially such as are Banish'd, or inforced to forsake their Native Countreys, by reason of the heat of Persecution, upon the account of Religion.

3. It will not be in the Power of any, by Extortion and Oppression, to make a Prey of the Necessitous.

4. The Fishery of such Countreys, as lye convenient for it, may be improved: and the Navigation and Shipping increased, for Use or Sale.

5. The Publick Revenues thereof, in consequence of these, will be augmented.

6. The Rents of Lands, yea, the purchase value thereof, will rise; For, the Plenty of Money, or a valuable Credit equivalent thereunto, and the Lowering of Interest, must necessarily have that effect.

7. It will supply the defect or scarcity of Moneys in specie until by the settling of Manufactures, &c. (which this Bank proposes) the Products of such Countrey for Exportation shall come to Ballance or exceed the value of it's Importations; which

which afterwards will necessitate the bringing in of Moneys, as fast as the want thereof hath carryed it away. For, the true Ground of the Plenty or Scarcity of Moneys in any Countrey, is not the high or low value of the Money (as some erroneously conceive) but, that the value of goods imported from other parts hath been greater than that of the Export. The ballance whereof must necessarily be answer'd with Moneys, and for the same Reason, Revers'd, the Export of goods when brought to exceed the value of the Import, must, as necessarily bring it back again to such proportion as the Export can be raised. And whatsoever other means may be suggested for furnishing of Moneys, must be fruitless, for, there will abide no more than such proportion; let what value will be put on Moneys above the currant price thereof in other Countreys with whom they shall Trade; which may be further evidenced, if this hint thereof be not sufficiently intelligible. To which may be added, That the less need there is of Moneys in specie, by reason of such Currant Credit, the more will be the increase of Money it self; as is manifest in *Holland, Venice*, and all places where Bank-Credit supplies the Defect of those species; at least, the Money that remains in such Countreys, will be at greater liberty for such petty occasions as cannot be so well accommodated by Bills.

In order therefore, and as Prævious to the entering upon such an affair, 'tis requisite that other Queries be propounded and resolved, *viz.*

Q. 4. How shall it come to be known whether a sufficient number of Persons, of all Ranks, Trades and

and Callings, will deal with this Bank? The Reasons of which Inquiry are these, *viz.*

(1.) It will be of use to the undertakers of such Bank to know it, for their encouragement in their entrance upon this affair. And,

(2.) To such others as would take the Bills, if they were satisfied they could buy such Goods, &c. as they want, with Bills, at as easie rates, as if they had ready Moneys to give.

Ans. 1. It will be requisite, that a short Declaration be tendred to be subscribed by some Persons of all Ranks, Trades and Callings; signifying that they will accept the said Bank-Bills of Credit, in their ordinary future dealings of buying and selling, or other trafficking affairs, whereupon they are to receive Moneys, for so much ready Moneys as shall be in such Bills mentioned, upon the terms and according to the Rules of the Bank: Saving to every Man his specialties, and particular Contracts.

Ans. 2. That such as shall so declare themselves, by Subscription (or otherwise) may be put into Alphabetical Lists; and, such as take forth Bills may be informed of the Names of the said respective Persons, their Trades or Callings, and Places of Habitation. But,

Q. 5. It may be further inquired, *viz.* What if some sorts of persons requisite for a universal Circulation of Bills, will not, in all cases, ingage to accept Bank-bills: but some will wholly Refuse them, and cry up moneys, in hand to a higher Rate than they pass at in other Countreys, &c. Others will be for either, or both, as they find it for their advantage, &c.

Ans.

Ans. It's not necessary that all should, in all cases, oblige themselves to Bills, as long as there is moneys to be had: But if there be not a sufficiency of that for carrying on of Trade, &c. as, this Bank hinders not the Currency of moneys, but that may be employed as far as it will go, (which, for the most part, during the scarcity of it, will be in small dealings,) so, the Bills will be found usefull to supply the defect. The needful proportion whereof will soon be understood; and each Person will cast his business, and make his Contracts accordingly: And consequently, this need not hinder, or discourage the attempt; if there be a competent number of each, or most sorts, that cannot, otherwise, deal as they would.

Q. 6. And, if any shall inquire, What number of Merchants and other Tradesmen may be sufficient (at first erecting such a Bank) to assist a Circulation of Bills in Trade, in case some should, not only withdraw from, but, obstruct, and misrepresent the Affair, or persons managing it, as not having the publick approbation, or Sanction of the Authority of a Countrey, which they may suggest to be necessary? It's answered,

Ans. 1. A few Merchants in any Countrey who are General Traders (by the help this Bank proposes, in the foregoing Instances,) may be sufficient to give encouragement for the Entrance upon this Affair; and so many Shop-keepers, Artificers, &c. as must and will deal with them. For,

Ans. 2. It may reasonably be presumed, that, many, in the practice of the thing, will apprehend

hend the necessity, usefulness, and security thereof, who cannot easily take it up in the Notion, or by discourse; and that such will come in by Degrees: for, if, (being Merchants) they stand out, such of their Chapmen as shall find it their interest to sell for Bills, must buy again of others who will take them in payment; and finding themselves well used by such, will hardly return where they have been refused: and, if of other Professions, they must either sell little, or do it on Trust, or wait for payment till moneys grow more plentiful; whilst others carry away the whole trading amongst them.

Ans. 3. This part of the Merchants Calling, is, in every respect, as Free and lawfull for any to undertake, and needs no more of publick encouragement or Countenance, than that part of buying and selling (at home or abroad) with or for ready money, time, or barter, which they better understand and practise. And the managers hereof may as well expect a benefit by it as the others: Forasmuch as it will no less take up their time to attend; and will be an improving the trade of any Countrey, no less than the other: And lastly, has its hazards attending it; for the profits accruing thereby, are, in the first place assigned, by the Constitution and Rules thereof, for making good all losses and damages that may happen, in the management of this Affair.

De te Narratur, N. A.

FINIS.

A Supplement or Appendix to the Treatise Entituled,

A MODEL for Erecting a Bank of Credit, &c; Or, An account of some of the many Prejudices that will Inevitably ensue, as well to His Majesty as to his Subjects by enhancing the value of Spanish Coyns &c. above his Majesties. Together with the most probable means for Preventing thereof, without damage to any. *viz.*

Prejudice. 1st To the KING; and that in a double respect.

First, In point of Honour and Royal Dignity. *viz.*

1. That the Stamp or Coyn of any Prince should be preferred to his Majesties, Especially by his own Subjects, it being so sacred a Badge of Royalty and Dominion.
2. That any part of his Dominions should, by so doing be proclaim'd to be reduced to such indigence, in Scandal of Government.

Secondly, In point of Profit. *viz.*

1.

1. That

I: **T**HAT any European Princes should so far divide or share with his Majesty in the Royalty and Profit of Coynage; and be thereby invited, not only to put off their Moneys to so great enriching themselves, and impoverishing his Majesties Subjects: But to raise the value of their moneys upon all other Princes: To the confusion of trade, by altering the agreed or used measure or standard amongst them.

2. That by such a course (Especially at such a time as this, wherein his Majestie is settling and Establishing his Revenue) the whole should be Regulated by a Temporary advance (for a present turn) which, when Reduced to his Majesties Standard (as no doubt it will soon be judged fit to have it so) will be Detrimentall to his Majestie in all future times.

Prejudice. 2d. To his Majesties Subjects. viz.

1. To such as have contracted for money, current at the time of the Contract, and by this means shall come to be paid in other moneys really less in value; which carrys great injustice in it; whether such contracts be for goods or Merchandizes, ancient Rights and Rents on Leases, Annuities or Perpetuities. &c.

2. To such as live upon Pensions, Salaries, Wages; Civill, Military or Ecclesiasticall, Established by Law or otherwise. Also to Handicrafts

dicrafts men, Artificers, Labourers Servants, &c. who will (in time) become pinch'd thereby, viz. Upon Raising the Prices of Victualls, Cloath n^y, and other Commodities (an usuall consequence of raising moneys) which will be a great Oppression. &c.

3. To the whole Community and body of his Majesties Subjects inhabiting such Country (except the first importers of such Coyns) For, they must all Expect to pay for what imported Goods they need, proportionably to such advance of Coyns: as is apparent in the advance of *Twenty-Five Pound Per-cent* on all goods imported into *New-England*.

Object. 1. But will they not all have opportunities of paying away the money they receive, at the same Rates they receive it?

Ans^r. Though they do, That will help little: For, they cannot buy the same Commodities with it, as they might have bought with the moneys for which they Contracted: and consequently will be Damified to much more thereby, as the Prices shall be raised.

Object. 2. Princes and States may give what values they please to moneys by enhancing or Lowering of them: And (say some) by this means, we shall not only have moneys brought in, but keep what moneys we have from being Transported, which occasions our present Scarcity and decay of trade.

Ans^r. The Question is not about the Power, but profit of Princes, in giving new raised values to other Princes moneys. And the Ob-

Importers Assertion is a great Error. For he considers not,

1. What it is that is the Real cause of the Scarcity of moneys, *viz.* The Actual Transporting the Ballance or Over plus of the value of goods imported, above the proportion of the value of the native products exported; which (Exceeding) must of necessity be answered by moneys in specie; and consequently, what ever rate moneys be current at (though it should be double the usuall value) it will be exported; and the higher the rates be, the more must be Transported for the ballance. Nor, does he consider,

2. That money will retain the same proportion in value to other things, as, the General consent of other Nations and Countrys with whom the dealings are, does give it. By which it comes to pass, That if the price of moneys be raised by any Prince or State to any proportion whatsoever, above the common and intrinsique value, the Price of all forreign goods imported into such Country, will be proportionably raised upon the People by the Importer. For Example, Imagine any Country should have it's Coyn raised from *Five Shillings per ounce*, Sterling Silver (which is *Three pence* each penny weight) to *Six Shillings Eight pence per ounce*, or *Four pence* each penny weight, which is one fourth part (*as in New-England*) the Importer must and will sell his goods there, at above one fourth part more in

in price than he was wont to do; or he shall lose by his Commodity. And therefore the first thing he will consider in his Sale will be, the intrinsique value of the payment, whether it be in money or goods; and hee'l be sure so to deal as to lose nothing by either; but the Country shall pay the more, which he'l take away with him, in the money so raised in Denomination.

Obj. 3. *But you'l say, perhaps, as imported Goods will be raised in value, so will Exported: and that will counterpoise the Damage.*

Ans. 1. Suppose that, yet it will not keep the overplus of the ballance in such Countrey; which is the evil predicated. But,

2. It will be difficult for any Country, (and especially for *New-England*) to raise its wonted known price of its Native Commodities, for a considerable time; perhaps for some years: which the present circumstances of *New-England* cannot bear: for, while the grass grows, (as the proverb is) the Steer will starve. And 'tis more probable, that as the Country grows more populous and improved, its products will multiply; and consequently abate in price: But suppose the price to rise proportionably with the money; 'twill then bear hard on most of the parties before enumerated, whose settled wages, Rents, &c. will remain what they were.

Quest. *These are Labrinths it's confest. But it's evident (may New-England-men say) that we cannot hold out long under such pincking circumstances*

ces

ees as we are reduced unto, for want of Moneys. We must therefore run the hazards; unless some expedient be suddenly applied: The Shop-keepers must break; and they'l break their Merchants; and they their Principals, &c. Is there any Remedy?

Sol. The most probable, is humbly offered in the particulars following, viz.

1 By some Act or Proclamation, That in all payments on future contracts, all sorts of forreign Sterling Silver shall pass by weight, at the value of his Majesties English Coyn.

2 By sumptuary and Trading-Laws for Balancing the importations of such Commodities as are most useful, with the Exportations of the manufactures and products of the Country that may be best spared, after the utmost improvement made of them: which may be easily contrived to become practicable.

3 Now, That there is so little of the Coyn of this Country remaining in Trade, it may be the easier reduced to pass at it's equal intrinsique value compared with his Majesties English Coyn; by passing the several pieces here Coyned at the several values respectively adjoynd as followeth, viz.

The

The pieces Coyn- ed in New-En- gland for	{	12d to pass for 9d English money	
		6d — for 4d.	$\frac{1}{2}$
		4d — for 3d	
		3d — for 2d	$\frac{1}{4}$
		2d — for 1	$\frac{1}{2}$
	{	1d — for----	$\frac{3}{4}$

But these things, and the manner of doing them effectually, are considerations fit to be submitted to his Majesty and Council, who best know how they will comport with his Royal Interest and Leagues with other Princes, &c.

Q. Will not this be unjust? especially to such as have store of these moneys lying by them?

Sol. Not at all: for, they now pass really for no more than according to those rates proposed, viz. Twelve pence for Nine pence, &c. The difference lying not in the intrinsique value or current use, but in the Denomination only, viz. That nine pence is stamp and called twelve pence: They will still buy as much therefore, for their shilling when called nine pence, as they were wont to buy when called twelve pence; but,

Obj 4. This will cause all the present moneys of this Country to be transported; and what shall we do then?

Answe. That's answered and provided for.

4 By

4 By the Bank of Credit; Lumbard and Exchange of moneys propounded, which will both supply a necessary proportion of Credit as good as money for carrying on of Trade, till the balance of Trade be settled: and then cause moneys to be brought in as fast as ever it went out. For, as hitherto the Import of Goods, having been of greater value than the Export, hath drawn away the moneys of this Country, for the necessary ballancing of Accompts; & will so do whatever the value of the Coyn be set at (as is before shewed) so, for the same reason (Revers'd) the Export of Goods thence, when it shall come to be of greater value than the Import (which such Bank will assist, in the way and manner, and by the means suggested) must as necessarily bring it back again to such proportion as the Exports can be raised; to the enriching and Flourishing of his Majesties Subjects in this his Territory of *New-England*.

He that cannot see this is darkened by unaccountable prejudice, &c.



FINIS.
